

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH WOODFORD COUNTY WATER	)	
DISTRICT	)	
_____	)	CASE NO. 97-037
	)	
ALLEGED FAILURE TO COMPLY WITH	)	
COMMISSION REGULATIONS	)	
807 KAR 5:006, SECTION 7(6), 807	)	
KAR 5:006, SECTION 7(7), 807 KAR	)	
5:006, SECTION 24(1), 807 KAR 5:006,	)	
SECTION 24(3), 807 KAR 5:006,	)	
SECTION 25(1), AND 807 KAR 5:006,	)	
SECTION 25(3)	)	

O R D E R

By Order dated January 31, 1997, the Commission directed South Woodford County Water District ("South Woodford") to appear at a hearing on March 6, 1997 to show cause why it should not be subject to the penalties provided for under KRS 278.990 for the probable violation of Commission regulations 807 KAR 5:006, Section 7(6), 807 KAR 5:006, Section 7(7), 807 KAR 5:006, Section 24(1), 807 KAR 5:006, Section 24(3), 807 KAR 5:006, Section 25(1), and 807 KAR 5:006, Section 25(3). The probable violations arose from two annual inspections by the Commission Staff in 1996 and 1995, respectively.

At South Woodford's request, the hearing was held in abeyance and an informal conference was convened to provide an opportunity to discuss the operative facts surrounding the violations cited in the inspection reports. South Woodford appeared at the conference and the discussion with Commission Staff resulted in the filing of a Stipulation

of Facts and Agreement ("Stipulation") on April 28, 1997. The Stipulation, attached hereto as Appendix A and incorporated herein by reference, sets forth the relevant facts and provides that South Woodford has now corrected all the repeat deficiencies noted in the 1996 inspection report. South Woodford agreed that a civil penalty of \$250 should be assessed for the repeat violations cited here, with the condition that the penalty shall be due and payable only if a further violation of the aforementioned regulations is noted in a Staff inspection report within one year.

In determining whether the results of the Stipulation are in the public interest and are reasonable, the Commission has taken into consideration the comprehensive nature of the settlement and South Woodford's willingness to cooperate to achieve a speedy resolution of this proceeding. Based on the evidence of record, and being otherwise sufficiently advised, the Commission hereby finds that the Stipulation is in accordance with the law and does not violate any regulatory principle. The Stipulation is the product of arms-length negotiations among capable, knowledgeable parties, is in the public interest, and results in a reasonable resolution of all issues in this case.

IT IS THEREFORE ORDERED that:

1. The Stipulation is adopted and approved in its entirety as a complete resolution of all issues in this case.
2. A civil penalty of \$250 shall be assessed against South Woodford but held in abeyance and not due and payable unless a further violation of the aforementioned regulations is noted in a Staff inspection report within one year from the date of this Order.

Done at Frankfort, Kentucky, this 9th day of May, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt  
Chairman

Earl J. Holmes  
Vice Chairman

B. J. Helton  
Commissioner

ATTEST:

Don Mills  
Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 97-037 DATED MAY 9, 1997

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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SOUTH WOODFORD COUNTY WATER	)	
DISTRICT	)	
_____	)	CASE NO. 97-037
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5:006, SECTION 24(1), 807 KAR 5:006,	)	
SECTION 24(3), 807 KAR 5:006,	)	
SECTION 25(1), AND 807 KAR 5:006,	)	
SECTION 25(3)	)	

STIPULATION OF FACTS AND AGREEMENT

By Order dated January 31, 1997, the Commission initiated this proceeding to determine whether South Woodford County Water District ("South Woodford") should be subject to penalties prescribed in KRS 278.990 for the probable violations of 807 KAR 5:006, Sections 7(6), 7(7), 24(1), 24(3), 25(1) and 25(3). The Order arises out of two annual inspections by the Commission Staff ("Staff") of South Woodford's facilities on September 26, 1996 and September 17, 1995, respectively. The results of these inspections, set forth in a 1996 Inspection Report and a 1995 Inspection Report (both appended to the Commission's January 31, 1997 Order), indicate that six probable violations of Commission regulations were noted in the 1996 Inspection Report and were previously noted in the 1995 Inspection Report.

Pursuant to South Woodford's request, an informal conference with Staff was held at the Commission's offices on March 6, 1997. South Woodford and the Staff submit the

following agreement for the Commission's consideration in rendering its decision in this proceeding:

1. South Woodford agrees that the Staff's 1995 and 1996 Inspection Reports accurately present the facts relevant to this proceeding.

2. South Woodford has taken all steps necessary to correct the six repeat violations noted above and in the 1996 Inspection Report.

3. South Woodford agrees that a civil penalty of \$250 should be imposed for the repeat violations at issue here, with the condition that the penalty shall be due and payable only if a further violation of the aforementioned regulations is noted in a Staff Inspection Report within one year.

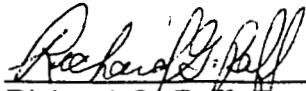
4. Staff will conduct an inspection of South Woodford's facilities in June 1997 to coincide with the completion of construction of a water storage tank and will conduct its regular, annual inspection in the Fall of 1997.

5. South Woodford and the Staff agree that if this Stipulation of Facts and Agreement is not adopted in its entirety by the Commission, South Woodford and the Staff reserve their rights to withdraw therefrom and require that a hearing be held on any and all matters involved herein. In such event, South Woodford and the Staff agree that the contents of this Stipulation of Facts and Agreement shall not be deemed binding upon the parties hereto, and cannot be used as an admission by either party.

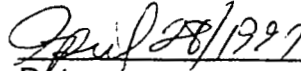
6. South Woodford and the Staff agree that the foregoing Stipulation of Facts and Agreement is reasonable, is in the public interest, and should be adopted in its

entirety by the Commission, and if so adopted, no petition for rehearing or judicial appeal will be filed.

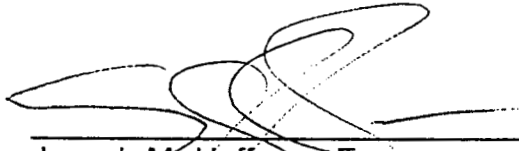
AGREED TO:



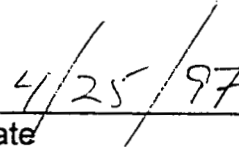
Richard G. Raff, Esq.  
Counsel for Commission Staff



Date



Joseph M. Hoffman, Esq.  
Counsel for South Woodford County  
Water District



Date